



July 9, 2003

VIA HAND DELIVERY

Ms. Mary L. Cottrell, Secretary
Department of Telecommunications and Energy
One South Station, 2nd Floor
Boston, Massachusetts 02110

RE: D.T.E. 03-62, Western Massachusetts Electric Company's Comments

Dear Secretary Cottrell:

On June 13, 2003, the Department of Telecommunications and Energy ("Department") opened an inquiry, pursuant to G.L. c. 164, § 1F, into the use of the New England Generation Information System ("NE-GIS") for the purposes of complying with the Information Disclosure Requirements contained in 220 C.M.R. § 11.06 *et seq.* A technical session was held on this matter on July 2, 2003, and written comments were requested by July 9, 2003. Please accept this letter as Western Massachusetts Electric Company's ("WMECO") comments.

As a general matter, WMECO believes that the Department is pursuing the correct path in proposing to use the NE-GIS as the basis for the Information Disclosure Requirements. With a few minor modifications, the NE-GIS should function well in this capacity. WMECO recommends that these few minor modifications be resolved prior to implementation.

At the July 2, 2003 technical session, the Department proposed the use of the NE-GIS for competitive suppliers and distribution companies to meet the required information on the disclosure label. However many questions were raised. One such question was when to begin using the NE-GIS data on the labels. A discussion followed as to whether the first label should contain three months of data using the NE-GIS only or a hybrid of NE-GIS data and previous sources. WMECO supports using three months of NE-GIS data only for the first label. A hybrid label would be very difficult to develop and equally as confusing for customers.

With regard to the information contained in the NE-GIS labels, WMECO suggests that the following issues be resolved prior to the use of the NE-GIS for Information Disclosure:

1. The labor characteristic in the New England Residual Mix is currently not accurate as reported in the NE-GIS. This is because the labor characteristic is "lost" when certificates are combined into the residual mix. The residual mix is currently substantially the largest fraction of the certificates assigned to load. Hence, any Information Disclosure using this residual mix will become both meaningless and misleading for this characteristic.

2. WMECO recommends that a change be made in the method with which the residual mix is calculated (e.g., a fractional characteristic instead of a binary “yes/no” characteristic) so that the labor characteristics are accurately calculated.
3. The fuel sources on the label and in the NE-GIS are not the same. WMECO recommends changing the fuel sources on the label to match those reported in NE-GIS or to provide clear definition to ensure fuel source reporting is consistent among all parties.
4. The information describing the Import System Mix lags several months behind the information describing generation within the ISO-NE territory. This lag will result in inconsistent information being used in the Information Disclosure. WMECO recommends that either this reporting lag time be reduced to be consistent with other data, or specific guidance be provided by the Department on acceptable methods for incorporating the time-lagged information so that there is consistency across the reporting entities.

The Department is also seeking comments on the most efficient means of satisfying the Department’s and the Division of Energy Resources’ (“DOER”) reporting requirements. WMECO would be able to provide the data required to the Department and DOER on an annual basis.

Finally, WMECO wishes to comment briefly on the procedure for implementing the changes in the Department’s Information Disclosure Requirements. Currently, these requirements are codified in the Department’s regulations. 220 C.M.R. § 11.06 *et seq.* As WMECO understands the changes contemplated by the Department, 220 C.M.R. § 11.06 would be substantially altered. While there is an exceptions clause in the existing regulations, 220 C.M.R. 11.08, it would be far better practice to amend the underlying regulations to reflect the new Disclosure Requirements rather than to use the exceptions clause. Revising the underlying regulations may be slightly more time-consuming in the short-run (given the apparent level of agreement between the parties, there is no reason that such a rulemaking could not be finalized quickly), but will result in far less confusion in the long run.

WMECO appreciates the opportunity to provide comments in this matter.

Respectfully submitted,

Donald M. Bishop
Manager, Regulatory Policy - Massachusetts